AV 4 IT-YSR 074427

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

LIMITED OFFICIAL USE
Classification

FOR OC/T USE ONLY

24 Nov 67 22 48Z

Origin

Info:

ACTION: Amembassy ROME

INFO: Amembassy PARIS

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE MAY 1974
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☐
PA☐en FOIA EXEMPTIONS

STATE

CIVAIR

REF STATE 42936 AV 4 IT-YSR

1. On November 24 (3 pm Washington time) CAB issued order approving agreement between Airlift International and Alitalia through September 30, 1968, whereby Airlift will wet-lease aircraft to Alitalia for all-cargo services. When CAB first approved Airlift-Alitalia wet-lease on March 31, 1964, for period that was supposed to end on September 30, 1964, CAB pointed out that this approval "involved special exception to Board's basic and long-standing policy against this type of arrangement" and was being made in light of interim arrangement pending arbitration of all-cargo dispute. This wet-lease has presented policy difficulty for Board each time Alitalia wanted to extend if for further period. Moreover extension of permit has not rpt not been essential to Airlift which could readily have found other utilization for its aircraft. Thus principal effect and purpose of new order is to permit Alitalia to continue its all-cargo services with leased aircraft until it takes delivery of cargo aircraft presently on order. (Copy order being airpouched to Embassy.)

Drafted by: E/OA/AL:ECRodriguez:slm 11/24/67 | Tel. Ext. 2924 | Telegraphic transmission and classification approved by: E/TT - Mr. Loy

Clearances:

L/E - PFPatman

CAB - Mr. Watson

AIS - MBlake

CAB - Mr. Minetti

LIMITED OFFICIAL USE
Classification

FORM DS-322 8-65

DECLASSIFIED

LIMITED OFFICIAL USE
Classification

2. On November 22 Department informed Minister Morabito (Italian Embassy) that CAB order would issue on November 24 so that Italian Government could be informed. Was pointed out to Morabito that CAB policy is against wet-lease arrangements of this nature. However, decision to extend permit was taken, despite strong domestic opposition and despite restrictions imposed by GOI on all-cargo services of US carriers, in interest of good civil aviation relations between US and Italy and to facilitate resumption of efforts to reach new air transport agreement. Morabito appeared appreciate exceptional nature of CAB action and said he would report conversation to GOI. Morabito was asked not rpt not to disclose action to Alitalia until CAB order is issued because Airlift (which is the formal applicant for the permit) would not rpt not be told of the order in advance.

3. In same meeting Morabito referred to Saragat-Johnson conversation and asked whether USG planned make response to Saragat remarks. Morabito indicated GOI (later specifically mentioning Capomazza) expected USG to make new route proposals. Morabito was told USG would reply in due course to Saragat statements but was cautioned that in such response it was highly unlikely USG would present specific proposals for concluding new agreement. Dept officers noted that GOI denounced 1948 agreement, that USG's strong efforts to satisfy Italian route requests had been rejected, and that consequently we would expect receive Italian proposals aimed at achieving new agreement.

4. May be useful for Embassy to find early occasion to make sure Foreign Ministry understands significance of CAB action on Airlift-Alitalia arrangement along lines paragraphs 1 and 2 above.

RUSK

Declassify following November 24, 1972

DECLASSIFIED

LIMITED OFFICIAL USE
Classification